2

COMMITTEE ON ETHICS

FIFTEENTH LOK SABHA

SECOND REPORT

"Maintenance of Register of interests of Members of Lok Sabha and declaration of interests in the House or a Committee thereof."

(Presented to Speaker, Lok Sabha on 13 December, 2012)

(Laid on the Table on 18 December, 2012)

LOK SABHA SECRETARIAT

NEW DELHI

December, 2012/Agrahayana, 1934 (Saka)

(i)

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PERSONNEL OF THE COMMITTEE ON ETHICS*

(2012-2013)

1. Shri Manikrao Hodlya Gavit — Chairman

MEMBERS

2. Shri L. K. Advani
3. Shri T. R. Baalu
4. Shri Kalyan Banerjee
5. Shri Dara Singh Chauhan
6. Dr. Murli Manohar Joshi
7. Smt. Sumitra Mahajan
8. Shri Inder Singh Namdhari
9. Shri Sheesh Ram Ola
10. Shri Asaduddin Owaisi
11. Shri A. Sai Prathap
12. Shri Prem Das Rai
13. Shri Rayapati Sambasiva Rao
14. Shri Mahabali Singh
15. Kunwar Rewati Raman Singh

SECRETARIAT

1. Shri V. K. Sharma – OSD (VK)
2. Shri V.R.Ramesh - Joint Secretary
3. Shri Ashok Sajwan – Additional Director
4. Dr. Rajiv Mani – Deputy Secretary
5. Shri Bala Guru G. – Legislative Officer
6. Shri Manish K. Thakur- Executive Assistant

*Reconstituted on 12 December, 2011 *vide* Bulletin Part –II para No. 3492

SECOND REPORT OF COMMITTEE ON ETHICS

(FIFTEENTH LOK SABHA)

I. Introduction

I, the Chairman of the Committee on Ethics, having been authorized by the Committee to submit the Report on their behalf, present to the Speaker their Second Report on the subject 'Maintenance of Register of Interests of Members of Lok Sabha and declaration of interests in the House or a Committee thereof.'

2. The Committee held four sittings. The relevant minutes of these sittings form part of the Report and are appended hereto.

3. At their first sitting held on 21October, 2011, the Committee took up for consideration the matter regarding 'Maintenance of Register of Interests of Members of Lok Sabha and declaration of interests in the House or a Committee thereof.' The Committee directed the Secretariat to obtain information regarding the position prevailing in other countries in the matter and place the same before the Committee.

4. At their second sitting held on 12 April, 2012, the Committee considered the memorandum on the position prevailing in some other countries in the matter. The Committee then directed the Secretariat to solicit the views of the Hon'ble Chairman, Committee on Ethics, Rajya Sabha regarding the experience of that House in the matter.

5. At their third sitting held on 04 July, 2012, the Committee considered the views expressed by the Chairman, Committee on Ethics, Rajya Sabha in the matter. The Committee, thereafter, directed the Secretariat to prepare a draft report on the subject for their consideration.

6. At their fourth sitting held on 15 October, 2012 the Committee considered and adopted the draft report and authorized the Chairman to present the Report to Speaker.

II. Facts of the case

7. Shri Anil Bairwal, National Coordinator and Prof. Trilochan Sastry and Prof. Jagdeep Chhokar, founder members of the Association for Democratic Reforms and National Election Watch *vide* their letter[1] dated 24 August, 2011 addressed to the Speaker, Lok Sabha, while drawing her attention to Rules 293 and 294 of the Rules of Procedure and Conduct of Business in the Rajya Sabha relating to 'Register of Members' Interest' and 'Declaration of Interests' respectively, suggested that in the interest of transparency, similar provisions may also be incorporated in the Rules of Procedure and Conduct of Business in the Lok Sabha.

They stated in their letter *inter alia* as follows:

> "According to Rule No. 293 and 294 of the Rules of Procedure and Conduct of Business in the Council of States, a Register of Interest is maintained and the interests are declared by the Rajya Sabha members. Amidst number of corruption charges and scandals against Members of Parliament, introduction of Register of Interest in the Lok Sabha would bring more transparency in the

[1] Appendix-I

background of elected representatives and in the entire electoral and political processes of the country"

8. The Speaker, Lok Sabha, on 20 September, 2011, referred the matter to the Committee on Ethics for examination and report.

III. Existing position regarding Members having personal, pecuniary or direct interest in matters before the House or a Committee

9. Rule 371 of the Rules of Procedure and Conduct of Business in Lok Sabha, which is analogous to Rule 294(2) of Rules of Procedure and Conduct of Business in Rajya Sabha states as follows:

"OBJECTION TO VOTE OF A MEMBER ON GROUNDS OF PERSONAL, PECUNIARY OR DIRECT INTEREST

371. *If the vote of a member in a division in the House is challenged on the ground of personal, pecuniary or direct interest in the matter to be decided, the Speaker may, if he considers necessary, call upon the member making the challenge to state precisely the grounds of his objection and the member whose vote has been challenged to state his case and shall decide whether the vote of the member should be disallowed or not and his decision shall be final:*

Provided that the vote of a member or members is challenged immediately after the division is over and before the result is announced by the Speaker.

Explanation.—For the purposes of this rule, the interest of the member should be direct, personal or pecuniary and separately belong to the person whose vote is questioned and not in common with the public in general or with any class or section thereof or on a matter of State policy."

10. Direction 52A of Directions by the Speaker, which is analogous to Rule 294(1) of Rajya Sabha Rules, states as under:

*"**52A.(1)** Where a member of a Committee has a personal, pecuniary or direct interest in any matter which is to be considered by the Committee, he shall state his interest therein to the Speaker through the Chairman of the Committee.*

(2) After the Speaker has considered the matter, he shall give his decision which shall be final."

OBJECTION TO MEMBERSHIP OF COMMITTEE

11. Objection can also be taken to the inclusion of a member in a Parliamentary Committee on the ground that the member has a personal, pecuniary or direct interest of such an intimate character that it may prejudicially affect the consideration of any matters to be considered by the Committee. Rule 255 of Rules of Procedure and Conduct of Business in Lok Sabha, lays down the following position:

> *"**255.** Where an objection is taken to the inclusion of a member in a Committee on the ground that the member has a personal, pecuniary or direct interest of such an intimate character that it may prejudicially affect the consideration of any matters to be considered by the Committee, the procedure shall be as follows:*
>
> *(a) The member who has taken objection shall precisely state the ground of his objection and the nature of the alleged interest, whether personal, pecuniary or direct, of the proposed member in the matters coming up before the Committee ;*
>
> *(b) After the objection has been stated, the Speaker shall give an opportunity to the member proposed on the Committee against whom objection has been taken to state the position;*

(c) If there is dispute on facts, the Speaker may call upon the member taking objection and the member against whose appointment on the Committee objection has been taken, to produce documentary or other evidence in support of their respective cases;

(d) After the Speaker has considered the evidence so tendered before him, he shall give his decision, which shall be final;

(e) Until the Speaker has given his decision, the member against whose appointment on the Committee objection has been taken, shall continue to be a member thereof, if elected or nominated and take part in discussion, but shall not be entitled to vote; and

(f) If the Speaker holds that the member against whose appointment objection has been taken has a personal, pecuniary or direct interest in the matter before the Committee, he shall cease to be a member thereof forthwith;

Provided that the proceedings of the sitting of the Committee at which such member was present shall not in any way be affected by the decision of the Speaker.

Explanation.- For the purpose of this rule the interest of the member should be direct, personal or pecuniary and separately belong to the person whose inclusion in the Committee is objected to and not in common with the public

in general or with any class or section thereof or on a matter of State policy."

12. Rules 293 and 294 of the Rules of procedure and Conduct of Business in Rajya Sabha provide as follows:

293. Register of members' interest

(1) There shall be maintained a 'Register of members' interests' in such form as may be determined by the Committee which shall be available to members for inspection on request.

(2) The register shall be maintained under the authority of the Council.

(3) Information contained in the Register may be given to the general public in accordance with such rules and procedures as may be determined by the Committee from time to time.

294. Declaration of interests

(1) Whenever a member has a personal or specific pecuniary interest (direct or indirect) in a matter being considered by the Council or a Committee thereof, he shall declare the nature of such interest notwithstanding any registration of his interests in the Register, and shall not participate in any debate taking place in the Council or its Committees before making such declaration.

(2) On a division in the Council if the vote of a member is challenged on the ground of personal, pecuniary or direct interest in the matter to be

decided, the Chairman may, if he considers necessary, call upon the member making the challenge to state precisely the grounds of his objection, and the member whose vote has been challenged shall state his case, and the Chairman shall then decide whether the vote of the member should be disallowed or not and his decision shall be final:

Provided that the vote of a member is challenged immediately after the division is over and before the result is announced by the Chairman.

Explanation: *For the purposes of this rule the interest of the member should be direct, personal or pecuniary and separately belong to the person whose vote is questioned and not in common with the public in general or with any section thereof or on any matter or State policy.*

13. As may be seen, though provisions do exist in the Lok Sabha Rules and Directions by the Speaker regarding objection to vote of a member in the House on grounds of personal, pecuniary or direct interest as well as objection to membership of a member of a Committee on such grounds, there is no specific provision regarding maintenance of 'Register of members' interest' either in the Rules of Procedure or Directions by the Speaker. Further, while Direction 52A(1) directs members to state interests in a matter to be considered by the Committee, the analogous Rule of Rajya Sabha Rules i.e. Rule 294(1) provides for declaration of such interests in a matter to be considered by the Committee as well as the House as a whole.

14. The Fourth Report of the Committee on Ethics of Rajya Sabha (presented in Rajya Sabha on 14 March, 2005) recommended the following five pecuniary Interests along with the components of each of these interests

pertaining to which the information may be furnished by Members of Rajya Sabha for Registration in the Register of Interests:-

Pecuniary Interests

I Remunerative Directorship

1. Name and address of the Company

2. Nature of Company Business

3. Salary/fees/allowance/benefits or any other receipts which are taxable (per annum)

II Regular Remunerated Activity

1. Name and address of the Establishment

2. Nature of Business

3. Position held

4. Amount of Remuneration received (per annum)

III Shareholding of Controlling Nature

1. Name and address of the Company

2. Nature of Business of the Company

3. Percentage of shares held

IV Paid Consultancy

1. Nature of consultancy

2. Business activity of the organization where engaged as Consultant

3. Total Value of Benefits derived from the Consultancy

V Professional Engagement

1. Description
2. Fees/Remuneration earned therefrom (per annum)

15. The Committee on Ethics of Rajya Sabha accordingly recommended the Format[2] in which the said Interests are to be registered. As per the recommendations of the Committee, every member of the Rajya Sabha shall furnish the information as per the prescribed form, under Rule 293, within ninety days from the date on which he/she makes and subscribes oath or affirmation for taking his/her seat. Every Member shall notify the changes, if any, in the information so furnished by him/her, as on 31st March every year, within ninety days from that date.

16. At present, Members of Rajya Sabha are, therefore, required to furnish information relating to their interests in the prescribed form under five categories mentioned above.

[2] Appendix II

IV. Findings and Conclusions

17. The Committee have carefully gone through the provisions pertaining to registration of members' interest obtaining in U.K., U.S.A, Australia and South Africa. The Committee observe from the material placed before them that the basic purpose of the introduction of register of Members' interests is to infuse transparency and accountability among the parliamentarians so as to reinforce confidence of public in their representatives. The aim of registration of interests is *openness*, which is so vital for the functioning of a parliamentary democracy. The Committee, therefore, feel that in order to avoid a conflict of interest, the provisions relating to registration of interests need to be incorporated in the Rules. Conflicts of interest may arise from financial interests as well as non-financial interests.

The Committee are of the view that provisions pertaining to Register of Interests of Members as well as declaration of interests by them need to be incorporated in the Rules of Procedure and Conduct of Business in Lok Sabha.

18. The Committee feel that Members of Lok Sabha should get their interests registered in a Register to be maintained by the Lok Sabha. The Committee observe that whenever a member has personal or specific pecuniary interest (direct or indirect) in a matter being considered by the House or a Committee thereof, he should declare that interest notwithstanding any registration of his interests in the Register. Thus, while registration of interests pertains to the parliamentary duties of a member in general, declaration of his interests pertains to any particular matter under discussion.

19. The Committee observe that provisions pertaining to register of members' interests obtaining in other democracies are comparatively more

broad-based than those obtaining in Rajya Sabha . While the Committee were in general agreement with the provisions obtaining in Rajya Sabha , the Committee desired to have the benefit of the views of the Chairman, Committee on Ethics, Rajya Sabha, whether, over the past eight years in implementing the provisions regarding the Register of Interests of Members of Rajya Sabha, it was felt, at any point of time, to add to the existing five categories of pecuniary interests that members of Rajya Sabha are required to register and whether there was felt any need or scope for expanding the list of registrable Interests as provided for in Rajya Sabha Rules.

20. Chairman, Committee on Ethics, Rajya Sabha gave his views in the matter as under:

> "…This whole question of defining the interests of Members is one that our Committee has discussed several times over the last few years. We also gathered information from around the world regarding how various parliamentary democracies deal with this matter. After careful consideration, we came to the five points that you mentioned. Although there have been suggestions for change from time to time, our Committee has felt that the present procedure should continue for the time being.
>
> As a general remark, I must say that the practice of Members declaring their interests before speaking in the House is still rarely done. Evidently, it has not yet become part of the broader consciousness of MPs..."[3]

[3] Appendix III

21. The Committee, after elaborate discussion and taking into account the views of the Chairman, Committee on Ethics, Rajya Sabha as also the distinct socio-political conditions prevailing in India, feel that the Rajya Sabha model of Register of Members' Interests as well as Declaration of Interests needs to be adopted by the Lok Sabha. The Committee also feel that the following list of interests along with the components of each, as prevailing in the Rajya Sabha, be adopted:

(i) Remunerative Directorship;
(ii) Regular Remunerated Activity;
(iii) Shareholding of Controlling Nature;
(iv) Paid Consultancy &
(v) Professional Engagement.

22. As regards, Remunerative Directorship, Regular Remunerated Activity and Shareholding of Controlling Nature, the Committee are of the opinion that there is no dispute on nature of these interests. However, the Committee feel that Paid Consultancy and Professional Engagement need to be qualified as they may, in many cases, not create any permanent interest on the part of the members. For example, members who happen to be advocates, chartered accountants, doctors, engineers, architects etc.(the list being indicative and not exhaustive), might have clients on a daily basis. It would neither be possible nor practical for them to register all interests. The Committee are, therefore, of the view that a member who happens to be a professional of any discipline should be required to register details of Paid Consultancy and Professional Engagement only in cases where their paid consultancy or professional engagement has a nature of permanency like retainership, contract etc., the minimum period of engagement in such cases being not less than one year.

23. The Committee note that in their First Report (15th Lok Sabha) laid on the Table of the House on 21 February, 2011, the Committee had

recommended that in the Rules of Procedure and Conduct of Business in Lok Sabha, a new Chapter *viz.* Chapter XXA containing provision regarding 'Procedure for ethics complaints,' may be added after Chapter XX of the Rules. The Committee also note that the Committee in their same Report, had recommended that in Chapter XXVI of the Rules of Procedure and Conduct of Business in Lok Sabha containing rules regarding Parliamentary Committees, rules pertaining to composition and functions etc. of the Committee on Ethics may be added.

The Committee are of the view that the new rules regarding Register of members' interests and Declaration of their interests may be incorporated under the proposed heading 'Committee on Ethics' of the Rules of Procedure and Conduct of Business in the Lok Sabha .

v. Recommendations

(A) REGISTER OF MEMBERS' INTERESTS

24. ***(a) Registration of Interests by Members :***

The Committee recommend that every member of the House shall, within ninety days from the date on which he makes and subscribes an oath or affirmation for taking his seat, furnish information regarding his interests in a Form[4] prescribed for the purpose.

(b) List of Interests to be Registered:

The Committee recommend the following five pecuniary Interests along with the components of each of these interests pertaining to which

[4] Appendix IV

the information may be furnished by Members of Lok Sabha for Registration in the Register of Interests:-

Pecuniary Interests

I Remunerative Directorship

1. Name and address of the Company
2. Nature of Company Business
3. Salary/fees/allowance/benefits or any other receipts which are taxable (per annum)

II Regular Remunerated Activity

1. Name and address of the Establishment
2. Nature of Business
3. Position held
4. Amount of Remuneration received (per annum)

III Shareholding of Controlling Nature

1. Name and address of the Company
2. Nature of Business of the Company
3. Percentage of shares held

IV Paid Consultancy

1. Nature of consultancy
2. Business activity of the organization where engaged as Consultant
3. Total Value of Benefits derived from the Consultancy

V Professional Engagement

1. Description
2. Fees/Remuneration earned therefrom (per annum)

The Committee further recommend that details of Paid Consultancy and Professional Engagement may be registered by a member only in

cases where the paid consultancy or professional engagement has a nature of permanency like retainership, contract etc., the minimum period of engagement in such cases being not less than one year.

(c) Register:

The Committee recommend that Members' interests' shall be maintained in a register called 'Register of members' interests' which shall be available to members for inspection on request. The register shall be maintained under the authority of the House.

(d) Information open for public:

The Committee recommend that Information contained in the Register may be given to the general public in accordance with such rules and procedures as may be determined by the Committee from time to time.

(e) Intimation about change:

The Committee recommend that every member shall intimate the changes, if any, in the information furnished by him/her, as on 31st day of March of every year, within ninety days of that date.

(B) DECLARATION OF INTERESTS

25. The Committee recommend that whenever a member has a personal or specific pecuniary interest (direct or indirect) in a matter being considered by the House or a Committee thereof, he shall declare the nature of such interest notwithstanding any registration of his interests in

the Register, and shall not participate in any debate taking place in the House or its Committees before making such declaration.

(C) INCORPORATION OF RELEVANT RULES

26. The Committee recommend that in Chapter XXVI of the Rules of Procedure and Conduct of Business in Lok Sabha containing rules regarding Parliamentary Committees, the following Rules, under the proposed heading 'Committee on Ethics', may be *added* after rule 316 F:—

"CHAPTER XXVI

COMMITTEE ON ETHICS

316 G. Register of Members' Interest

(1) Every member of the House shall, within ninety days from the date on which he makes and subscribes an oath or affirmation for taking his seat, furnish information regarding his interests in the Form as set out in Fourth-A Schedule.

(2) Members' interests' shall be maintained in a register called 'Register of members' interests' which shall be available to members for inspection on request.

(3) The register shall be maintained under the authority of the House.

(4) Information contained in the Register may be given to the general public in accordance with such rules and procedures as may be determined by the Committee from time to time.

(*5) Every member shall intimate the changes, if any, in the information furnished by him/her, as on 31st day of March of every year, within ninety days of that date.*

316 H. Declaration of interests

(1) Whenever a member has a personal or specific pecuniary interest (direct or indirect) in a matter being considered by the House or a Committee thereof, he shall declare the nature of such interest notwithstanding any registration of his interests in the Register, and shall not participate in any debate taking place in the House or its Committees before making such declaration.

(2) On a division in the House if the vote of a member is challenged on the ground of personal, pecuniary or direct interest in the matter to be decided, the Speaker may take action according to procedure laid under Rule 371.

316 I. **Procedure for complaints**

The procedure of complaints against a member with respect to registration of his interests provided for under Rule 316 G and declaration of his interests provided for under Rule 316 H shall be similar to the procedure for ethics complaints, as laid down in Rule 233A.

316 J. **Procedure for inquiry into complaints**

The procedure for inquiry into complaints against a member with respect to registration of his interests provided for under Rule 316

G and declaration of his interests provided for under Rule 316 H shall be similar to the procedure for inquiry into ethics complaints, as laid down in Rule 316C.

NEW DELHI;

(MANIKRAO HODLYA GAVIT)

03 December, 2012

Chairman, Committee on Ethics.

MINUTES OF SITTINGS

MINUTES OF THE TWELFTH SITTING OF THE COMMITTEE ON ETHICS

The Committee sat on Friday, 21October, 2011 from 1500 hrs. to 1530hrs. in Room No. 53, Parliament House, New Delhi.

PRESENT

Shri Manikrao Hodlya Gavit - Chairman

MEMBERS

2. Shri T. R. Baalu
3. Shri Jayant Chaudhary
4. Shri Gurudas Dasgupta
5. Dr. Murli Manohar Joshi
6. Shri Prem Das Rai
7. Shri Rayapati Sambasiva Rao
8. Shri Mahabali Singh
9. Shri Gopinath Munde

LOK SABHA SECRETARIAT

1. Shri V. K. Sharma	-	OSD
2. Shri V. R. Ramesh	-	Joint Secretary
3. Shri Ashok Sajwan	-	Additional Director
4. Dr. Rajiv Mani	-	Deputy Secretary

2. ***

3. ***

4. The Committee, thereafter, took up for consideration Memorandum No. 6, regarding 'Introduction of a Register of Members' Interest' in Lok Sabha.

The members deliberated on the memorandum and directed the Secretariat to ascertain the position obtaining in other countries with regard to Register of Members' Interest and place the same before the Committee at their next sitting. The Committee also desired the Secretariat to prepare a draft proforma of Register of Members Interest for consideration of the Committee.

The Committee then adjourned.

*** Omitted, as paras relate to another case.

MINUTES OF THE THIRTEENTH SITTING OF THE COMMITTEE ON ETHICS

The Committee sat on Thursday, 12 April, 2012 from 1500 hrs. to 1525 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Manikrao Hodlya Gavit - Chairman

MEMBERS

2. Shri L. K. Advani
3. Shri T. R. Baalu
4. Shri Inder Singh Namdhari
5. Shri Prem Das Rai
6. Shri Rayapati Sambasiva Rao
7. Shri Mahabali Singh

LOK SABHA SECRETARIAT

1. Shri V. K. Sharma	-	OSD (VK)
2. Shri V. R. Ramesh	-	Joint Secretary
3. Shri Ashok Sajwan	-	Additional Director
4. Dr. Rajiv Mani	-	Deputy Secretary

2. At the outset, the Chairman welcomed the members of the newly reconstituted Committee and briefed them about the issue of Register of Members' Interest which is presently under consideration of the Committee.

3. The Committee, thereafter, took up for consideration Memorandum No. 7 regarding 'Introduction of a Register of Members' Interest' in Lok Sabha.

Members expressed their views. Members were of the view that the position prevailing in Rajya Sabha on the issue of the Register of Members Interest appeared to be based on a sound footing and lists only those interests which are of a permanent nature. Members felt that the same did not require any further amplification. The Committee, however, directed the Secretariat to solicit the views of the Hon'ble Chairman, Committee on Ethics, Rajya Sabha regarding the experience over the past eight years in implementing the provisions pertaining to Register of Interest of Members and whether a need had been felt at any point of time to add to the existing five categories of pecuniary interest provided for in the Rajya Sabha Rules. The Committee further directed that the reply received from the Hon'ble Chairman, Committee on Ethics, Rajya Sabha may be placed before them for their consideration for taking a final view in the matter.

The Committee then adjourned.

***

MINUTES OF THE FOURTEENTH SITTING OF THE COMMITTEE ON ETHICS

The Committee sat on Wednesday, 4 July, 2012 from 1500 hrs. to 1530 hrs. in Room No. G-074, PLB, New Delhi.

PRESENT

Shri Manikrao Hodlya Gavit - Chairman

2. Shri L. K. Advani
3. Shri Kalyan Banerjee
4. Smt. Sumitra Mahajan
5. Shri Inder Singh Namdhari
6. Shri Asaduddin Owaisi
7. Shri Prem Das Rai
8. Shri Rayapati Sambasiva Rao
9. Shri Mahabali Singh

LOK SABHA SECRETARIAT

1. Shri V. K. Sharma - OSD (VK)
2. Shri V. R. Ramesh - Joint Secretary
3. Shri Ashok Sajwan - Additional Director
4. Dr. Rajiv Mani - Deputy Secretary

2. At the outset, the Chairman welcomed the members of the Committee and briefed them about the issue of Register of Members' Interest which is presently under consideration of the Committee.

3. The Committee, thereafter, took up for consideration the views expressed by the Chairman, Committee on Ethics, Rajya Sabha in the matter.

4. Members expressed their views. After due deliberation, the Committee gave in principle approval for adoption of the Rajya Sabha model of Register of Members' Interest. The Secretariat was accordingly directed to prepare a draft report on the subject.

The Committee then adjourned.

***

MINUTES OF THE FIFTEENTH SITTING OF THE COMMITTEE ON ETHICS

The Committee sat on Monday, 15 October, 2012 from 1500 hrs. to 1530 hrs. in Committee Room No. 53, Parliament House, New Delhi.

PRESENT

Shri Manikrao Hodlya Gavit - Chairman

2. Shri T.R.Baalu
3. Shri Kalyan Banerjee
4. Shri Inder Singh Namdhari
5. Shri Sheesh Ram Ola
6. Shri Rayapati Sambasiva Rao
7. Shri Mahabali Singh

LOK SABHA SECRETARIAT

1. Shri V. K. Sharma - OSD (VK)
2. Shri V. R. Ramesh - Joint Secretary
3. Shri Ashok Sajwan - Additional Director
4. Dr. Rajiv Mani - Deputy Secretary

2. At the outset, the Chairman welcomed the members of the Committee. The Committee took up for consideration their draft Second Report on the subject, 'Maintenance of Register of Interests of Members of Lok Sabha and declaration of interests in the House or a Committee thereof.'

2. The Committee proposed some amendments to the draft Report and adopted the draft Report as amended. The Committee authorized the Chairman to finalize the Report after carrying out the proposed amendments. The Committee also authorized the Chairman to present the Report to the Speaker, Lok Sabha.

The Committee then adjourned.

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APPENDICES

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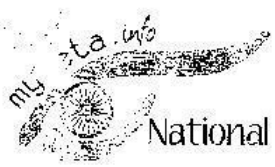
Appendix I



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Letter No: ADR/Letter_LS/02
August 24, 2011

To
Ms. Meira Kumar,
Speaker,
Lok Sabha

Subject: Request for a meeting to discuss introduction of a register of interest along the lines of Rajya Sabha

Dear Madam,

National Election Watch (NEW) and Association for Democratic Reforms (ADR) is a **citizen led, non-political, non-partisan, non-governmental organizations** working on **electoral and political reforms** based on whose Public Interest Litigation (PIL) Supreme Court, in 2003, made disclosure of criminal, financial and educational background mandatory for candidates contesting Parliament and Assembly Elections.

9.9

According to *Rule no. 293 and 294* of the *Rules of procedure and conduct of business in the Council of states*, a *Register of Interest* in maintained and the interests are declared by the Rajya Sabha members(Copy of the rule and the form is attached as annexure).Amidst number of corruption charges and scandals against Members of Parliament, **the introduction of *Register of Interest* in the Lok Sabha would bring more transparency** in the background of elected representatives, and in the entire electoral and political processes of the country

C.S.(V.K.)

We would like to request a meeting with you to discuss Introduction of *Register of Interest* in Lok Sabha. We would be available to meet with you anytime as per your convenience. We look forward to the opportunity to share our concern with you.

Yours faithfully,
For National Election Watch (NEW)

S. Trilochan Sastry

Prof Trilochan Sastry
Founder Member, ADR/NEW
Dean, IIM Bangalore

Prof Jagdeep Chhokar
Founder Member ADR/NEW
Former Director, IIM Ahmedabad

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Addl/Sr (SCT)
Comm. Fin. Secy.
3.9.11

3.9.

प्रजा ही प्रभु है!

293. Register of members' interest

(1) There shall be maintained a 'Register of members' interests' in such form as may be determined by the Committee which shall be available to members for inspection on request.

(2) The register shall be maintained under the authority of the Council.

(3) Information contained in the Register may be given to the general public in accordance with such rules and procedures as may be determined by the Committee from time to time

294. Declaration of interests

(1) Whenever a member has a personal or specific pecuniary interest (direct or indirect) in a matter being considered by the Council or a Committee thereof, he shall declare the nature of such interest notwithstanding any registration of his interests in the Register, and shall not participate in any debate taking place in the Council or its Committees before making such declaration.

(2) On a division in the Council if the vote of a member is challenged on the ground of personal, pecuniary or direct interest in the matter to be decided, the Chairman may, if he considers necessary, call upon the member making the challenge to state precisely the grounds of his objection, and the member whose vote has been challenged shall state his case, and the Chairman shall then decide whether the vote of the member should be disallowed or not and his decision shall be final:

Provided that the vote of a member is challenged immediately after the division is over and before the result is announced by the Chairman.

Explanation: For the purposes of this rule the interest of the member should be direct, personal or pecuniary and separately belong to the person whose vote is questioned and not in common with the public in general or with any section thereof or on any matter or State policy.

295. Procedure for making complaint

(1) Any person may make a complaint to the Committee regarding alleged unethical behaviour or breach of the Code of Conduct by a member

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FORM
For Declaration of Interests by Members of Rajya Sabha

See Rule 293 of the Rules of Procedure and Conduct of Business in the Council of States
(Use extra sheet signed by the Member if space is insufficient for making entries)

1. Name of the Member
(in block letters)
2. Father's/Husband's name
3. State
4. Party affiliation
5. Date of Election/Nomination
6. Date of taking Oath/making affirmation

Pecuniary Interests

I Remunerative Directorship
1. Name and address of the Company
2. Nature of Company Business
3. Salary/fees/allowance/benefits or any other receipts which are taxable (per annum)

Ii Regular Remunerated Activity
1. Name and address of the Establishment
2. Nature of Business
3. Position held
4. Amount of Remuneration received (per annum)

III Shareholding of Controlling Nature
1. Name and address of the Company
2. Nature of Business of the Company
3. Percentage of shares held

IV Paid Consultancy
1. Nature of consultancy
2. Business activity of the organisation where engaged as Consultant
3. Total Value of Benefits derived from the Consultancy

V Professional Engagement
1. Description
2. Fees/Remuneration earned therefrom (per annum)

( )
Signature of the Member
Division No._____

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Appendix II

RLIAMENT OF INDIA

FORM

For REG

For registration of Members' Interests' under Rule 293 of the Rules of Procedure and Conduct of Busin in the Council of States

(See para 6.4 of the Fourth Report)

1. Name of the Member (in block letters)
2. Father's/Husband's name
3. State
4. Party affiliation
5. Date of Election/Nomination
6. Date of taking Oath/making affirmation in the Council

Pecuniary Interests

I Remunerative Directorship

1. Name and address of the Company
2. Nature of Company Business
3. Salary/fees/allowance/benefits or any other receipts which are taxable (per annum)

II Regular Remunerated Activity

1. Name and address of the Establishment
2. Nature of Business
3. Position held
4. Amount of Remuneration received (per annum)

III Shareholding of Controlling Nature

1. Name and address of the Company
2. Nature of Business of the Company
3. Percentage of shares held

IV Paid Consultancy

1. Nature of consultancy
2. Business activity of the organization where engaged as Consultant
3. Total Value of Benefits derived from the Consultancy

V Professional Engagement

1. Description
2. Fees/Remuneration earned therefrom (per annum)

( )
Signature of the Member
Division No._____

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Appendix III

DR. KARAN SINGH
MEMBER OF PARLIAMENT
(RAJYA SABHA)
CHAIRMAN
COMMITTEE ON ETHICS

Office :
127, Parliament House Annexe
New Delhi-110001
Ph : 2303-4254, 23[illegible]
Fax : 2301-2009
E-mail : karansi@sansad.nic.in

8th May, 2012

My Dear Shri Gavit,

Thank you for your letter of 26th April, 2012. This whole question of defining the interests of Members is one that our Committee has discussed several times over the last few years. We also gathered information from around the world regarding how various parliamentary democracies deal with this matter. After careful consideration, we came to the five points that you mention. Although there have been suggestions for change from time to time, our Committee has felt that the present procedure should continue for the time being.

As a general remark, I must say that the practice of Members declaring their interests before speaking in the House is still rarely done. Evidently, it has not yet become part of the broader consciousness of MPs. We also have a code of conduct which we circulate before every session of the House, a copy of which I enclose. I will be happy to discuss the matter further with you. It may be useful later in the year to have a joint meeting of both our Ethics Committees.

With kind regards,

Yours sincerely,

Karan Singh

Shri Manikrao Gavit,
Chairman,
Committee on Ethics (Lok Sabha).
146, Parliament House,
New Delhi-110001.

Residence : 3, Nyaya Marg, Chanakyapuri, New Delhi-110021.
Tel. : 2611-1744, 2611-5291 Fax : 2687-3171 E-mail : karansingh@karansingh.com
Website : http://rajyasabha.nic.in http://rajyasabhahindi.nic.in

Appendix IV

"Fourth –A Schedule

(See rule 316G)

FORM

For registration of Members' Interests' under Rule 316 G of the Rules of Procedure and Conduct of Business in the Lok Sabha

1. Name of the Member :(in block letters)
2. Father's/Husband's name:
3. Address, Tel No., e-mail id:
4. Party affiliation:
5. Date of Election/Nomination:
6. Date of taking Oath/making affirmation in the House:

Pecuniary Interests

I. Remunerative Directorships

1. Name and address of the Company:
2. Nature of the Company Business:
3. Salary/fees/allowance/benefits or any other receipts which are taxable (per annum):

II. Regular Remunerated Activity:

1. Name and address of the Establishment:
2. Nature of Business:
3. Position held:
4. Amount of Remuneration received (per annum):

III. Shareholding of Controlling Nature

1. Name and address of the Company:
2. Nature of Business of the Company:
3. Percentage of shares held:

IV. Paid Consultancy*

1. Nature of consultancy:
2. Business activity of the organization where engaged as Consultant:
3. Total Value of Benefits derived from the Consultancy:

V. Professional Engagement**

1. Description:
2. Business activity of the organization where engaged as Consultant:
3. Fees/Remuneration earned therefrom (per annum):

DECLARATION

I, ……hereby declare that the information given above is true and correct to the best of my knowledge and belief.

In the event of any change in the information given above, I undertake to intimate the Speaker about the same as provided under the rules.

( )

Signature/Thumb impression of the Member

Date: **Division No._____"**

** To be registered only in cases where member's paid consultancy has a nature of permanency like retainership, contract etc., the minimum period of engagement in such cases being not less than one year.*

*** To be registered only in cases where member's professional engagement has a nature of permanency like retainership, contract etc., the minimum period of engagement in such cases being not less than one year.*